

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7225**

**BILL NUMBER:** SB 240

**NOTE PREPARED:** Jan 2, 2009

**BILL AMENDED:**

**SUBJECT:** Public works procedures.

**FIRST AUTHOR:** Sen. Merritt

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill amends the statute governing local public works projects to state that a political subdivision or its agencies may: (1) participate in a utility efficiency program or may enter into a guaranteed savings contract as provided by law; and (2) enter into a design-build contract as permitted by law instead of awarding a public works contract.

The bill provides that a "conservation measure" includes installation in a political subdivision's facility. (Under current law, the definition of "conservation measure" includes only insulation of school facilities.)

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill could reduce local government public work projects cost if the design-build contract was cheaper than a traditional public works project. The savings would depend on the project.

The impact of allowing local government to participate in a utility efficiency programs or enter into guaranteed savings contracts could also reduce locals costs. Energy savings contracts are paid from the reduction in energy costs resulting from the project.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** All..

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.